

April 2025 Finance Committee Meeting

Tuesday 04/15/2025

4:15 PM

Building/Room: Building A Room 16 (Leonhardi's Classroom)

Finance Committee

Members:

Isaac Leonhardi	Chair of Committee BOD Treasurer	Present
Wendell Sletten	Board Member Teacher	<i>Absent</i>
Dustin Reeves	Contracted Business Manager	Present
Kate Hinton	Administration	Present
Justin Gehring	Staff/Parent	Present
Shauni Holt	Staff	Present
Jennifer Stieve	Parent	Present
Alicia Flueger	Parent	Present
Yohannes Ghebru	Parent	<i>Absent</i>
Noah Langseth	Teacher	Present
Mary Yapp	Board Member, Parent	Present
Heather Krisko	Parent	Present
Olufunmilayo Ogunwole	Parent	<i>Absent</i>

Additional Attendees: Sarah Harms

Agenda:

1. March Finance Reports / Current Year Financials (Reeves)

- a. Current working budget surplus of \$491,231 at March month end. The increase was due to receiving a portion of the Employee Retention Credit (ERC) from the IRS.
 - i. MSA is awaiting the remainder of the ERC and interest from the IRS, and the IRS has sent a letter notifying disbursement of an additional \$382,904.73.
 - ii. We do not anticipate receiving further ERC after this check. There are no anticipated "call backs" of the ERC for charter schools.

- b. Actual ADM at March month end is 684 with a working budget of 686.
 - i. MARSS coordinator is looking into the shift in ADM.
 - ii. ADM numbers in the finance report are rounded due to decimals in ADM calculation.
- c. Projected days cash on hand is 114 days cash on hand, which meets the bond covenant requirement of 60 days.
 - i. With the recent bond sales, future months will have a bond covenant requirement of 90 days cash on hand.
- d. Projected debt service ratio at March month end was 1.59, meeting the 1.00 minimum bond covenant.
- e. As of March month end, we are 75% of the way through the fiscal year.
 - i. Revenues received at the end of the reporting period reflected at 75.8% of the working budget.
 - ii. Expenditures dispersed as of the end of March reflected at 70.4% of the working budget.
- f. Prior year state aid receivable amount is -\$15,293. Essentially, this is telling us that we under accrued at the end of last year due to conservative measures.
- g. The payroll deduction line of - \$59,424 is due to the timing of when the amounts are accrued for staff benefits.
- h. It was noted in the Supplemental Report that some extracurricular activities were overspent.
 - i. Continuing bussing cost increases, rental fees, and increasing referee requirements contributed to this.

2. Fundraising / Donations (Hinton / Gehring / Holt)

- a. Smartboards were purchased with the portion of funds designated from Give to the Max and are currently being installed.
- b. Teacher mini-grants have been allocated.
- c. MSA is still looking into logistics for the summer picnic to celebrate the school's anniversary.

3. Expansion Financial Updates (Leonhardi / Hinton)

- a. Bonds were sold last week and sold for 25 basis points less than other bonds with similar ratings.
- b. The title to the new property was transferred to MSA Building Company on 4/14/25. A groundbreaking ceremony is scheduled for 5/5/2025 at 5pm.
- c. Confirmation that the construction team has to meet certain benchmarks to receive payments.

4. 25/26 Budget Planning (Hinton / Reeves)

- a. Budget planning is currently in progress for FY26. We are currently finalizing salaries and utilizing the ERC credit towards our salary scale.

- i. MSA intends to apply the ERC to the teacher salary scale, as planned when originally applying for the credit. MSA is reaching its goal to be within 85% of District 833's salary scale.
- b. Elementary principal, new physics teacher, and a potential January hire for guidance support are included in the staffing budget for FY26.
 - i. A potential to hire a Director of Teaching and Learning to support growth is included in the budget draft, but Administration is currently evaluating this need.
- c. We did not receive a letter relating to DEI and funding. The Minnesota Department of Education (MDE) is not collecting the letters at this time. MDE issued a statewide response and stated it is unclear what illegal DEI is. Currently schools have not lost federal funding.
- d. State level cuts to charter school funding have been halted.
- e. If there were to be an issue relating to the State of MN holding back funding, MSA has a line of credit and a fair amount of cash on hand. The original reason for the line of credit was due to these holdbacks.

5. End of Year Spending (Leonhardi / Holt)

- a. Clear alerts about end of year spending have been brought to all staff.

Other:

A board of director item was added for MSA's Charles Schwab account access. Currently the roster does not include active staff at MSA on the account, and we are seeking to add Shauni Holt and Dr. Hinton to the account. Creative Planning will maintain their read only access to the account.

Next meeting will be Thursday 5/15/25 at 4:15pm.